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Administration and Assignment Agreement

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This Agreement made the first day of August , 1986

Between

Canada Mortgage and Housing Corporation
(hereinafter called "C.M.H.C.")

of the First Part

- and -

Société d'habitation du Québec
(hereinafter called "S.H.Q.")

of the Second Part

Whereas:

1. The Government of Canada and the Government of Québec have entered into a Global Agreement on social housing dated the 13th day of May, 1986 enabling the parties thereto to share the cost of any social housing programs or initiatives which they wish to foster jointly.
2. CMHC and SHQ have entered into an Operating Agreement dated the 10th day of July, 1986 as amended on the first day of August , 1986 for the purpose of carrying into effect the principles of the Global Agreement.
3. CMHC and SHQ have agreed in the Operating Agreement to cost-share delivery and administration of the Rural and Native Housing Program and SHQ has agreed to assume the delivery and administration of that Program.
4. In the delivery of the program mentioned in the preceding paragraph, loans can be made pursuant to sections 34.15 and 34.16 of the National Housing Act ("the Act").
5. Loans made pursuant to section 34.15 of the Act are to be secured by a first mortgage or by such other security as CMHC deems adequate to safeguard its interests and loans made pursuant to section 34.16 of the Act are to be secured in such manner and to such extent as CMHC determines adequate to safeguard its interests.



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6. To enable it to effectively deliver and administer projects under the Program referred to in paragraph 3 which it has agreed to cost-share, SHQ may, if it so wishes, take any security given in respect of the above referred loans.
7. In order to meet the requirements of the Act for CMHC to adequately secure its interests, CMHC and SHQ have agreed to enter into this Agreement for the purpose of providing to CMHC a form of security for loans made pursuant to the above referred sections.

Now therefore, in consideration of the preceding and in consideration of SHQ being permitted if it so wishes to take individual securities in its own name for loans made pursuant to sections 34.15 and 34.16 of the Act, CMHC and SHQ mutually agree as follows:

1. SHQ shall take the security required by sections 34.15 and 34.16 of the Act for the mutual benefit of CMHC and SHQ in accordance with the cost-sharing ratio established in the Operating Agreement for the Program under which the security is taken.
2. All monies advanced by CMHC to SHQ and all monies realized under any mortgage or other security in favor of the lender described in such instrument shall be held and administered for the mutual benefit of CMHC and SHQ in accordance with the cost-sharing ratio referred to in the above-mentioned Operating Agreement.
3. Any right, title or other interest acquired by SHQ arising out of the security instrument or otherwise arising in law shall be held and administered for the mutual benefit of CMHC and SHQ in accordance with the cost-sharing ratio referred to in the above-mentioned Operating Agreement.
4. All monies realized by SHQ pursuant to any security instrument taken in respect of a loan referred to in the above-mentioned section of the Act shall be administered and otherwise dealt with in accordance with the financial arrangements established in the Operating Agreement.

5. SHQ hereby assigns and transfers to CMHC any instrument of security as well as any right, title or other interest acquired by SHQ and resulting from the instrument of security for the loans granted under the above-mentioned sections of the Act in proportion to the cost-sharing ratio established in the Operating Agreement. SHQ undertakes to provide any information necessary or to sign any document desired, at the request of CMHC, to specifically note or carry out such a transfer.
6. Notwithstanding anything contained in this Agreement, it is agreed by CMHC and SHQ that neither the individual security instruments taken in respect of loans nor any right, title or interest acquired by SHQ arising out of such instruments or otherwise arising in law need to specifically describe or refer to the arrangements described and established in this Agreement.
7. This Agreement shall remain in full force and effect for so long as the Operating Agreement remains in force and thereafter until the completion of the administration of all securities, money, rights or other property flowing therefrom.
8. SHQ shall not be entitled to any fee, compensation or reimbursement by virtue of this Agreement, it being incidental to the Operating Agreement.

In Witness Whereof CMHC and SHQ have executed these presents on the date first described above.

Canada Mortgage and Housing Corporation



Société d'habitation du Québec



